

Slavery and Human Trafficking Statement 2021

Background

This statement has been prepared as a result of section 54 of the United Kingdom Modern Slavery Act 2015 (UKMSA). In particular, it details the measures implemented at CARIAD SE to prevent any forms of modern slavery and human trafficking.

Taking into account the advancing globalization, we acknowledge our global responsibility, which includes the protection of human rights.

Organization

CARIAD SE was established in 2020 as "Car.Software Organisation" and is a 100% subsidiary of Volkswagen Group. With more than 10 million vehicles sold annually, Volkswagen Group is one of the largest automotive companies in the world and unites popular car brands like Volkswagen, Audi, or Porsche and many others.

CARIAD SE is on a mission to build one unified software platform and tech-stack for all of the Group's brands, enabling them to excite their customers with the latest digital experiences. It is building the leading tech stack for the automotive industry, aiming to create a new automotive experience and to increase the pace of innovation within the Volkswagen Group, in order to make the car a sustainable, safe and seamlessly-connected mobility companion in a modern, digital world.

Our Commitment

We at CARIAD SE take our corporate social responsibility very seriously and will not tolerate or condone slavery or human trafficking in any part of our organization. Our expectations for responsible, ethical and legal conduct are applicable to all parties who work with or for us worldwide, including employees, partners, suppliers as well as their suppliers. CARIAD SE will continue to be committed to ensuring that modern slavery is not taking place within our organization or in any of our supply chains. We expect that our suppliers will ensure that their own suppliers in turn will adhere to the same high standards.

Internal measures

Our commitment and integrated approach at CARIAD SE includes, among others, our Code of Conduct, our Whistleblower System, our Compliance Management System ("CMS") and our Risk Management System.

Code of Conduct

Our Code of Conduct is an adaption of Volkswagen Group Code of Conduct and it is readily available to all employees on the Intranet. The Code of Conduct supports ethical and responsible conduct. It is supplemented by internal guidelines and provisions in employment contracts. It also goes without saying that we comply with national and international statutory provisions. We have a duty to observe the law under which we operate regarding all business decisions we make.

As a result, compliance with the Code of Conduct is mandatory for all employees: it is a prerequisite for anyone who wants to work for us. The Code of Conduct is based on shared values, with a focus on honesty, integrity, compliance and ethical behavior. The rejection of all forms of modern slavery and human trafficking is also an integral part of the Code of Conduct.

The Code of Conduct includes a section dedicated to human rights stating "*We respect, protect and promote all regulations in force to protect human rights and children's rights as a fundamental and general requirement throughout the world. We reject all use of child labor and forced or compulsory labor as well as all forms of modern slavery and human trafficking. This applies not only to cooperation within our Company but also as a matter of course to the conduct of and toward business partners.*"

Furthermore, "*we recognize the basic right of all employees to establish trade unions and employee representations. We are committed to working with employee representatives in candor and trust, to conducting a constructive and cooperative dialogue, and to striving for a fair balance of interests.*"

We also adapted the Volkswagen Group Code of Conduct for Business Partners to CARIAD SE in 2021. It details the Group's expectations regarding the attitude and conduct of business partners in their corporate activities, particularly with regard to suppliers and sales partners. The requirements are regarded as the basis for successfully shaping the business relationship between the Volkswagen Group and its partners. They

include observance of human rights, such as the prohibition of child labor, human trafficking and slavery, as well as ensuring environmental protection and preventing corruption.

Whistleblower System

CARIAD SE participates in the Volkswagen Whistleblower System, which is used for reporting suspicions of Serious Regulatory Violations. The violation of human rights is an example of an issue that may constitute a Serious Regulatory Violation. Other Regulatory Violations are handled by CARIAD SE's Compliance organization.

The Volkswagen Whistleblower System enables not only employees, but also business partners and customers around the world to report misconduct by employees all year round: written information can be submitted in any language using a specially protected online reporting channel. An international 24-hour telephone hotline is available for reporting information in a total of 17 languages. Information can also be submitted via commissioned external lawyers (ombudspersons).

The reports can be made anonymously on all channels, if needed. Strict confidentiality and secrecy are maintained throughout the entire process. The Whistleblower System guarantees the highest possible protection for whistleblowers and affected persons. Discrimination against whistleblowers is a Serious Regulatory Violation and will not be tolerated.

Compliance Management System

Since the establishment of our company in July 2020, we set up and operate our own Compliance Management System (CMS). Our CMS is rooted in Volkswagen Group's Integrity & Compliance standards and guidelines, but we continue to tailor it to our specific business risks as an automotive software and technology company. In 2021 we took part in the VW group-wide internal compliance risk assessment, which assesses risk exposures alongside a correlation of country risks, business model risks as well as business & human right risks.

Based on this assessment, we implemented measures that target and mitigate the identified risks. We applied the same approach to our controlled entities and requested them to implement customized measure sets developed by VW Group Compliance. To continuously monitor these risks, we have implemented an ongoing monitoring and improvement process.

Risk Management System

In 2021, we implemented the Quarterly Risk Process ("QRP") at CARIAD SE and started the rollout in the majority companies. The QRP can be used to record and manage all acute, concrete and strategic risks, making the process also suitable for recording potential risks of human rights violations. The GRC process has been carried out, ensuring the identification of potential risks supported by a list of risk-related focus areas, which also includes potential risks from human rights violations.

Training for employees

Employees at all levels play a key role in our Code of Conduct training. Every new employee of CARIAD SE is obliged to participate in a brief Code of Conduct training when onboarding, followed by a mandatory in-department web-based training within three months of starting employment. Apart from our Code of Conduct, this training covers basics on anti-corruption and anti-money laundering, product compliance, human rights, and the VW group-wide whistleblower system. The training is concluded with an awareness test and needs to be repeated every two years.

Employees who are in a Group internal personnel leasing relationship with CARIAD SE, receive their Code of Conduct training regularly through the training processes of their home companies Volkswagen, Audi and Porsche.

The board of management of CARIAD SE received additional Code of Conduct training in 2021.

For 2022 it is planned to roll out further targeted training activities, following a risk-based approach.

Measures with partners and supply chain

CARIAD SE wants to fulfil its responsibility in its business relations on a global level and act proactively beyond simply meeting legal requirements. In 2021 our procurement was newly founded and staffed. The procurement department follows the strict sustainability guidelines of the VW Group.

Together with the VW Group procurement we are pursuing a three-pronged approach. The basic prerequisite for these steps is transparency in supplier relationships that go beyond the first level:

- **Prevent:** Sustainability requirements are anchored in contracts and specifications, particularly the Code of Conduct for Business Partners; suppliers are fully trained and qualified.
- **Detect:** Sustainability risks in the supply chain are systematically identified and prioritized. Sustainability is anchored across the Group in all important contract award decisions and a sustainability performance rating of potential suppliers ("S-Rating") is used. This is based on self-disclosures and risk-based checks on site.
- **React:** Various measures are provided in order to respond to the identified risks and effects. These include a standardized process for dealing with violations by individual suppliers and action plans from on-site inspections.

More detailed information on the VW Group's procurement activities and sustainability requirements can be found on www.vwgroupsupply.com.

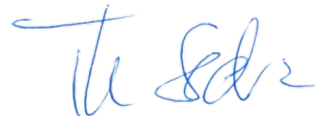
In 2021 procurement processes and policies were implemented to lay the ground for CARIAD SE's own procurement organization.

Business Partner Due Diligence

Business Partner Due Diligence was consequently conducted in 2021 by the VW Group procurement organization. However, we are going to implement VW Group Policy 29 (Business Partner Due Diligence) in 2022, parallel to the implementation of an own procurement organization, in order to ensure that the business practice of business partners are based on integrity.



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